GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:6371
ANSWERED ON:08.05.2000
AGREEMENT WITH POWER TRADING CORPORATION
SADASHIVRAO DADOBA MANDLIK

Will the Minister of POWER be pleased to state:

(a) whether the Reserve Bank of India had decidedagainst entering into a tripartite agreement with the State Governments and the Power Trading Corporation; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Under the revised mega power policy of the Government of India, security to the Power Trading Corporation (PTC) would be provided by means of a Letter of Credit and recourse to the State`s share of Central PlanAllocations and other devolutions. Reserve Bank of India (RBI) in its role asa banker to the Government of India and State Governments doesnot visualize the need to be a party to the tri-partite agreement between PTCand the State Government. Itwould need only irrevocable standing instructions from the particular State Government for the transfer of funds under CPA and devolutions to PTCin the event of default by the State Governments/State Electricity Boards (SEBs)on its obligation under the Power Purchase Agreement entered into between the PTC and the SEB.